

**PATRICIA MATTHEWS, P.C.**  
***Attorneys at Law***

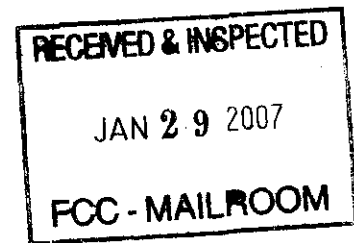
PATRICIA MATTHEWS  
1925 Aspen Dr., Ste. 301A  
Santa Fe, NM 87505-5587  
pam@nmmatthews.com

FLYNN E. SYLVEST  
Telephone: (505) 989-9437  
Facsimile: (505) 424-1684  
fsylvest@nmmatthews.com

January 22, 2007

**VIA FEDERAL EXPRESS**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, D.C. 20554



Re: In the Matter of Request for Review by Nuestros Valores Charter School  
("NVCS") of Decision of Universal Service Administrator  
CC Docket No.: 02-6  
**LETTER OF APPEAL**

Dear Ms. Dortch:

This firm represents Nuestros Valores Charter School, which is in receipt of a decision letter ("Administrator's Decision on Appeal-Funding Year 2003-2004") from the USAC dated December 8, 2006. In this letter, the USAC denied NVCS' appeal of an April 28, 2006 "Notification of Commitment Adjustment Letter – Funding Year 2003: 7/01/2003-6/30/2004" ("Notice Letter"). Pursuant to 54 C.F.R. § 54.719 and 54 C.F.R. § 54.723, NVCS is now seeking a de novo review by the FCC of SLD's April 28, 2006 funding decision. The following information and enclosures are offered in support of NVCS' appeal and request for reconsideration of the Adjusted Funding Commitment as contemplated in the Notice Letter.

1. Contact information:

Patricia Matthews  
Patricia Matthews, P.C.  
1925 Aspen Dr, Suite 301A  
Santa Fe, NM 87505  
Phone: (505) 989-9437  
Facsimile: (505) 424-1684  
e-mail: pam@nmmatthews.com

2. Appeal:

**THIS LETTER IS INTENDED AS AN APPEAL**  
Form 471 Application Number: 383807

*[Handwritten signature]*  
3/3/07

Funding Year: 2003  
Applicant's Form Identifier: 233255470Y6  
Billed Entity Name: Nuestros Valores Charter School  
Billed Entity Number 233255  
The Funding Request Number 1058264  
FCC Registration Number: (none provided)

The following language from the text of the Notice Letter is the issue being appealed by NVHS:

Commitment Adjustment Amount:	\$113,216.17
Adjusted Funding Commitment:	\$0.00
Funds to be Recovered from Applicant:	\$98,749.19

Pertinent sections of "Funding Commitment Adjustment Explanation" appealed:

**Issue #1:** "During the course of the review it was determined that the technology plan for this entity was not approved at the time of submission of the Form 486. Program rules require applicants to obtain approval of technology plans by parties qualified to approve technology plans, prior to submitting the Form 486 or the start of services, the technology plan needed to be approved prior to submitting the Form 486, for services other than basic telecommunications service. Since this is not a request for basic telecommunications service, the technology plan needed to be approved prior to submitting the Form 486 or the start of services, whichever was earlier." Notice Letter.

**NVCS' RESPONSE TO ISSUE #1.**

**A. NVCS had an approved technology plan before it submitted its Form 486.**

NVCS had a technology plan that had been approved by the New Mexico Public Education Department's Curriculum Instruction and Learning Technology Division ("CILT") on or before March 24, 2003. According to the Affidavit of Michael Kaplan, Ph.D. director of the New Mexico Public Education Department ("NMPED") Charter Schools Bureau, during a routine technical review of NVCS, he had determined that the school had an approved Technology Plan at the time of his visit. Dr. Kaplan testifies in his affidavit that it was his practice to verify for himself that a charter school had submitted and obtained approval from CILT as part of his review process. In addition, Dr. Kaplan testifies that it was his experience with CILT that documentation concerning technology plan approvals for charters schools was not consistently maintained. Dr. Kaplan's affidavit is attached as Exhibit 1; NVCS' Technology Plan is attached as Exhibit 2.

NVCS has made a thorough investigation and made a public records request to the NMPED for documents, but the only information concerning NVCS' technology plan for the period in question appears to be Dr. Kaplan's handwritten notes from the March 24, 2003 technical review visit. Because of the administrative changes

in the agency over the past several years, it is not clear what process was used to notify schools that their technology plans were approved by the state in 2003 or before then.

The fact that neither the charter school nor the NMPED has complete records concerning its technology plan is not implausible, because the Federal Communications Commission ("FCC") did not have rules requiring applicants to maintain records to demonstrate compliance with all program rules before Funding Year 2004.<sup>1</sup> See Schools and Libraries Fifth Report and Order, 19 FCC Rcd 15808, 15823, para.45 (2004) ("Fifth Report and Order"). In addition, no specific minimum duration for keeping records was enumerated until the rule announced in the Fifth Report and Order. *Id.* Accordingly, the fact the neither the school nor the state can document any record of the approval, aside from Dr. Kaplan's affidavit with attached notes, should not be used against the NVCS.

It is also pertinent that the New Mexico State Department of Education (now the "New Mexico Public Education Department") was reorganized pursuant to a constitutional amendment as a cabinet level department under the supervision of a Secretary of the Public Education Department in 2003. Formerly, the State School Board and Superintendent headed the entity. The department, during 2003, was experiencing a significant reorganization and many of the offices and personnel were restructured. This department-wide transformation could account for the lack of accurate record keeping described by Dr. Kaplan in his affidavit at Exhibit 1.

NVCS was not informed by USAC-SLD as to how it made the determination that NVCS's technology plan was not approved when NVCS submitted its Form 486 as part of its FY 2003 application; only that NVCS cannot provide any "adequate" record of such approval. The only information provided by USAC-SLD in its December 8, 2006 denial letter, is hearsay information that was allegedly reported several years after the fact.

**B. No waste, fraud or abuse alleged.**

USAC-SLD has not alleged that NVCS committed waste, fraud, or abuse, misuse of funds. The demand for repayment, rather, is based on a procedural technicality, i.e., that NVCS did not have an "approved technology plan" in place before funds were disbursed. Even if NVCS had made this technical error, which it denies, the FCC has determined that procedural violations during the application phase may be overlooked if there is no evidence of wrongdoing by the applicant. The FCC determined in the Fifth Report and Order that:

**[i]f, however, the procedural violation is inadvertently overlooked during the application phase and funds are disbursed, the Commission will not require that they be recovered, except to the extent that such rules are essential to the financial integrity of the program, as designated by the agency, or that circumstances suggest the possibility of waste, fraud, or abuse, which will be evaluated on a case-by-case basis.**

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<sup>1</sup> The new rules concerning record retention were to apply prospectively. See, Schools and Libraries Fifth Report and Order, 19 FCC Rcd 15808, 15835, para.79 (2004).

*Schools and Libraries Fifth Report and Order*, 19 FCC Rcd 15808, 15815, para.19 (2004) (emphasis added).

There has certainly been no inference or implication by the USAC-SLD in the Notice Letter or past correspondence that suggests wrong doing by the school or its employees. Moreover, no negative findings were reported even after SLD conducted a site visit at NVCS early in 2005. On February 16, 2005, Ms. Debra A Cameron, Site Visit Coordinator, wrote to Mr. Kirk Hartom, the school's administrator, to confirm that a site visit would occur at NVCS. See, Exhibit 3. This visit took place on March 8, 2005. Thereafter, on April 5, 2005, Mr. Hartom received a letter from Mr. George McDonald, Vice President, of the Schools and Libraries Division. A copy of his letter is also enclosed as Exhibit 4. Mr. McDonald does not make any reference in his letter to the alleged Form 486 technical deficiency and certainly there is no comment to suggest that NVCS had misspent or misapplied funds from the E-rate program.

Ultimately, if USAC-SLD has some evidence that can refute Dr. Kaplan's affidavit, then NVCS would request a waiver of the requirements under the circumstances. There is no evidence of waste, fraud or abuse and it has been nearly three years since the funds at issue were disbursed. Because of the time lapse and difficulty in locating records and reviving specific recollections as to what transpired almost four years ago, NVCS should be given the benefit of the doubt that Mr. Hartom<sup>2</sup> had received the appropriate approval necessary to certify that NVCS had an approved technology plan before he submitted the Form 486.

C. There was no indication that NVCS had failed to fully document during the application process.

On April 1, 2003, NVCS received a letter entitled, "Form 471 Receipt Acknowledgement Letter (Funding Year 2003: 07/01/2003 – 6/30/2004)." The letter notified NVCS that it had successfully entered the required data for a Form 471 and that its application would be reviewed by the "SLD's Program Integrity Assurance Team" and further notification would be forthcoming. See April 1, 2003 attached as Exhibit 5.<sup>3</sup>

Thereafter, at least on May 16, 2003 and July 23, 2003, the PIA Team requested additional information from the past administrator, Kirk Hartom.<sup>4</sup> See letters attached as Exhibit 6. Then NVCS received a "Funding Commitment Decision Letter," dated September 9, 2003. Attached as Exhibit 7. The letter stated that, "[t]he SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) upon the filing of your Form 486." Page four (4) of this letter states, "[i]t is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered." *Id.*

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<sup>2</sup> Mr. Kirk Hartom, the administrator of NVCS who submitted the application, is currently employed as an Assistant Superintendent for the Archdiocese of Santa Fe, New Mexico.

<sup>3</sup> This was NVCS' first E-rate application.

<sup>4</sup> NVCS' staff has diligently assembled what documents it can find regarding the 2003 E-rate application. However, the E-rate file was kept by the past administrator, Mr. Hartom, whose documents appear to be incomplete.

On March 24, 2004, NVCS received a "Form 486 Notification Letter (Funding Year 2004: 07/01/2003 – 06/20/2004)." Attached as Exhibit 8. This letter states, "[t]his letter is to notify you that the Schools and Libraries Division (SLD) has received **and accepted an FCC Form 486**, Receipt of Service Confirmation Form, from you." The attached "Form 486 Notification Letter Funding Commitment Report (Funding Year 2003)" indicates a Service Start Date of 03/01/2004. This letter plainly states that the Form 486 is approved and that services can begin to start as of March 1, 2004. At no time did NVCS receive any correspondence from the PIA team or any other official concerning failure to have an "approved technology plan." In addition, the USAC website provides that, "USAC **cannot** process a payment related to a Funding Request (FRN) unless a properly completed Receipt of Service Confirmation Form (Form 486) has been submitted by the applicant and processed for that FRN. Because the SLD stated repeatedly in its correspondence that no funds would be disbursed without the properly processed application, NVCS assumed that the SLD would not flow the disbursements improperly. These funds were expended without any prior notification that information was allegedly missing or that some part of the process was completed by NVCS in error. The March 24, 2004 letter notes that NVCS would have been notified if it had been necessary for the applicant to "revise or correct" a previous Form 486. ("You may be receiving this letter to revise or correct a previous Form 486 Notification Letter.") Moreover, the notification in the March 24, 2004 letter provides that this letter "supersedes any previous notification you may have received."

NVCS has no record that it ever received notification that the Form 486 was insufficient or lacked the prerequisite of a qualified technology planner's approval.

D. *Requiring repayment would create an undue hardship on NVCS.*

Certainly, had NVCS known that there were questions as to whether it had appropriate documentation in place, it would not have requested disbursement of funds. Having to unexpectedly repay these funds is much more onerous than not having received them in the first instance. NVCS is a charter school serving a substantial number of low income students. Based on its demographics, NVCS qualified for a 90% discount – indicating that it is considered to be serving some of the most disadvantaged students. Requiring NVCS to repay \$106,734.37<sup>5</sup> for a technical error (which it denies was made) will be an extreme hardship for the school; likely resulting in staffing cuts and, quite possibly, closure of the school.

Recently, the FCC considered the *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, et al.* FCC 06-04 at p. 1., para. 2. ("FCC-06-04 Order"). In this decision, the 196 appellants were seeking relief from USAC's denial of their applications based on technical mistakes in their Form 471's and Form 470's. The FCC remanded all 196 cases to the USAC for reconsideration opining that to deny these applications based on technicalities, would

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<sup>5</sup> USAC's December 8, 2006 letter denying NVCS' appeal notes that \$7, 985.18 of this amount is owed by the service provider and \$ 98,749.19 by NVCS. Please see NVCS' response to issue 2 showing that the school did purchase the items in question during the relevant year and, thus, properly paid the service provider the \$7, 985.18 – a sum in addition to the \$98, 749.19 USAC seeks to recover from the school.

not further the purpose of the E-rate program.<sup>6</sup> The Commission concluded that, “[r]igid compliance with the application procedures does not further the purposes of section 254(b) or serve the public interest.” See *Id.* at p. 6 para. 11. The FCC found that the denial of funding would result in an undue hardship on the applicants.

In the FCC-06-04 Order, the Commission reiterated that it has the authority to waive any provision of its rules on its own motion for good cause shown. 47 CFR §1.3; FCC-06-04 Order at p. 4, para. 6. When considering the effect of non-compliance with technicalities the Commission stated that:

[a] rule may be waived where the particular facts make strict compliance inconsistent with the public interest. In addition, the commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.

*Id.*

Here, NVCS contends that it had an approved technology plan at the time it submitted its Form 486. However, if USAC-SLD, based on evidence to the contrary, decides that the affidavit of Dr. Kaplan and the enclosed technology plan are not sufficient to establish that an approved technology plan was in place when NVCS submitted its Form 486; NVCS is without sufficient budget to repay the amount of the adjustment. Requiring the charter school to repay this amount, without prior notice or the ability to project and plan for the repayment, would be an burden that could well result in closure of the charter school as the result of a staggering budget shortfall. Some of the very students who the e-rate program is intended to target will be placed at an even greater disadvantage. Consequently, if the Commission determines there is some evidence to indicate that the technology plan approval relied upon by NVCS was insufficient, NVCS would request a waiver from the Commission of the requirements now asserted by USAC-SLD pursuant to 47 CFR §1.3.

**RELIEF SOUGHT:** NVCS does not agree with the determination of the SLD because according to the evidence provided herein during times relevant to this issue, NVCS had an approved technology plan. To the extent that the Commission finds technical deficiencies in the form of the technology plan, NVCS requests a waiver of the particular requirements asserted by the USAC-SLD. NVCS, thus, requests that the USAC-SLD reconsider its adjustment to NVCS' funding for FY 2003 and that it reinstate the full amount of the original grant.

**Issue #2.** “Also, it was determined that funding was disbursed for products and/or services delivered outside of the relevant funding year. During the course of the site visit it was determined that funds were disbursed for 2 Cisco 2850-48

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<sup>6</sup> The purpose of the E-rate program is to “enhance... access to advanced telecommunications and information services for public and non-profit elementary and secondary school classrooms.” *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, et al.* FCC 06-04 p. 5 para. 9.

switches and 4 GBIC Cisco WS-G5484 network adapters that were not installed during the relevant years." Notice Letter.

**Response to Issue #2.** NVCS did purchase the products during the relevant funding year. At the time of the application, NVCS had entered into a search for permanent facilities and believed that a move to a new location was eminent. The switches and network adapter in question were purchased in anticipation of the new facilities. Unfortunately, NVCS was unable to secure funding for the new location and the move was indefinitely postponed. NVCS is currently looking for a new location and the switches and network adapter will be used at the new location.

**RELIEF SOUGHT.** NVCS requests that it be given an extension of time to apply the funds for the purposes requested until June 30, 2008. NVCS anticipates that it will have secured permanent facilities on or before this deadline. If it has not, NVCS or its service provider will repay the sum of \$7,985.18.

Sincerely yours,  
PATRICIA MATTHEWS, P.C.

By: 

Patricia Matthews  
Flynn E. Sylvest

Enclosures

cc: Al Valdez, Business Manager NVCS – with enclosures



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AFFIDAVIT OF MICHAEL A. KAPLAN, Ph.D.

STATE OF NEW MEXICO       )  
  )ss.  
COUNTY OF SANTA FE       )

I, Michael A. Kaplan, do hereby swear on oath as follows.

1. I am a resident of Santa Fe County, State of New Mexico and at all times relevant to my affidavit I was employed by the State of New Mexico Public Education Department (formally New Mexico State Department of Education) as the Director of the Alternative Education Division. It was my responsibility to provide technical review and oversight to all charter schools in the state. During my tenure, the division became known as the "Charter Schools Bureau," for which I was the director during the relevant times herein.

2. Attached to my affidavit is a page from my hand written notes with the date of "3/24." This date corresponds to the date of a technical review report that I completed for Nuestros Valores Charter School in 2003.

3. In my notes I have written, "Technology Plan – approved." I would have only made this written comment if I had confirmed for myself that the Curriculum Instruction and Learning Technologies Division ("CILT") of the NMPED had reviewed and approved a technology plan for Nuestros Valores Charter School on or before the date of my notes, i.e. on or before March 24, 2003.

4. It was part of my technical review process to require a charter school to demonstrate to me that it had various required plans, including a technology plan during its first years of existence. My notes indicate to me that I had reviewed the school's



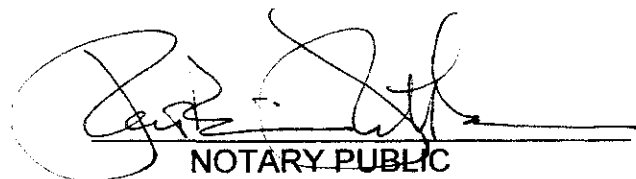
documentation and satisfied myself that they were in compliance by having an approved technology plan.

5. It is was also my experience during the six years that I was the director of the Alterative Education Unit that approval of technology plans was not consistently documented by the responsible division (CILT had change of directors and organization during my tenure). The fact that no one at the NMPED can find written confirmation that Nuestros Valores Charter School's technology plan was given State approval does not change my opinion that the school had an "approved plan." I would not have relied on the charter school's representations, I would have confirmed by checking with the CILT division personnel that the appropriate state-level approval had been given to Nuestros Valores Charter School.

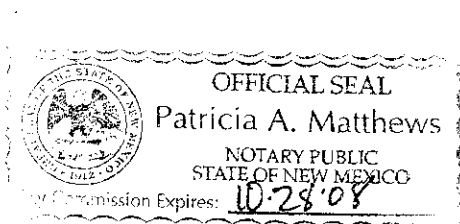
FURTHER AFFIANT SAYETH NAUGHT.

  
MICHAEL A. KAPLAN, Ph.D.

This Affidavit of Michael A. Kaplan, Ph.D. was signed and sworn to before me on this 21 day of June, 2006.

  
NOTARY PUBLIC

My commission expires: 10-28-2009



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NVS

*Handwritten:* 100-200000

*Strength*

Natl Council  
of La Raza

educ. consult  
case mgr

Site-visit

5

02-03  
1429

continued  
NCLK

Chapman

\* part of electr. bel. demonstration  
initiative - funding for  
facilities

\* APS fed funds @ APS  
but can't access funds  
- Lawson system

fed funds - Title I, 14  
IDEA

- YDI contract -

22

can  
Technology Plan approved - but can't access  
District Technology fund

\* Prof. Der Plan - (prev. template)

Safe Safety Plan - approved  
Hazardous Waste Plan - approved

Fire Drills - all ok - follow procedure

Demographics

9<sup>th</sup> / 10<sup>th</sup> grade

(proj 4 new steps)

400 students

5 miles  
49 female

SP 67

AB 6

21

60.2

at: 21

Total: 21

9th - 32

12-16-64

100-1  
100-1

CFR 100-179

Data - 9th grade: gender, ethnicity, accommodations

Terra Nova

- MED - Iowa

- Red - you  
need to track student on each test for for



## Nuestros Valores Charter School Technology Plan For Computer Literacy

### Mission Statement:

The mission of the Nuestros Valores Charter School is to provide our community's children a public school education alternative, to provide our public school teachers with the best possible educational environment in which to teach, to involve the parents and families of our students in the education of their children and to enhance the character education of all students.

Our school will be characterized by academic achievement based on high expectations, a high level of accountability for administrators, teachers, and students, and classroom level funding that can correlate funding and achievement. We will strive to ensure that each child who attends the school can achieve his/her highest potential in all academic areas while fostering and developing the basis for a lifelong love of learning.

We will be a public charter school of Albuquerque's South Valley, providing all parents in our community the opportunity to choose where and how their child is educated. The Nuestros Valores Charter School recognizes the importance of including students from all areas of our community so that everyone can benefit from the school's educational programs and environment. The employees, parents and community supporters of the Nuestros Valores Charter School will work together to create an educational atmosphere conducive to high achievement for all students in our community.

The Core Knowledge Sequence subjects of Reading, Literature, Math, Science, History, Geography and Language Arts will be the building blocks of the school. We will also provide, in addition to the Core Knowledge Art and Music curriculum, an enhanced Art and Music curriculum. This will include advanced technology, computer instruction, and integration of a media and technology computer program so that students can understand how to access information from all sources. This will be a unique program that will cross over into every aspect of the school's curriculum.



share their views and suggestions with the committee to allow for the development of a shared vision of technology which can be embraced by all members of our learning community.

#### Technology and Computer Education

- A. Use of the computer as a tool for information gathering and processing.
- B. Understanding how to harness the information of the Internet.
- C. Developing technology and media as components of the same program.
- D. Ethical and moral use of technology and computers in regard to education and society today.

#### Technology Goals:

In fulfilling part of its mandate, the Technology Committee has established a number of short-term and long-term technology goals for the school as follows:

- 1) Equal access to technology for all staff and students.
- 2) A school-wide computer network.
- 3) Computer literacy programs for grades 9-12
- 4) Internet access in each classroom for research.
- 5) A comprehensive employee in-service program which will include the necessary technical support and training to ensure the adoption and implementation of technological literacy and instructional use in the classroom.
- 6) A comprehensive technology implementation plan that will align with district, state and national technology standards as outlined per grade levels.

Technology Objectives Throughout the School:

Students will demonstrate knowledge of computer literacy through the following:

1. Utilization of the Internet and CD ROM technology to study science, mathematics, social studies, the humanities and the practical arts.
2. Use of information technology as a learning tool to explain how technology is used in communications, the arts, sciences, mathematics, engineering, health and human services, business and marketing and the ethical use and applications of technology (e.g. proper use of computer terms, E-mail language use, computer operation and software.)

Nuestros Valores Charter School Technology Strategies:

1. Technology will be used to support student learning in all classes several times each week by integration into the curriculum.
2. The Internet will be utilized as a valuable resource tool in each classroom and subject .
- 3.
4. The Nuestros Valores Charter School will update its technology plan annually.
5. A basic classroom technology standard for each classroom will be established.
6. A certain portion of the annual budget will be devoted to technology.
7. Staff will continue to receive support and training in utilizing technology for instruction and use of the new technologies available.
8. Nuestros Valores Charter School computer labs will be made available to parents and the community.
9. The Nuestros Valores Charter School will pursue grants to further professional development of staff, and increase monies available for technology purchases.

Learning Activities for Strategy Implementation:

9th-12 th Grade

1. Be familiar with the use and terminology of technology.
2. Discuss and recognize the variety of uses for technology in business and career opportunities.
3. Practice responsible and ethical use of technology.
4. Learn to work cooperatively and collaboratively with others using technology.
5. Students will communicate through the use of technological tools (e.g. camcorders, audio devices, VCR's, computers, digital cameras, scanners, and computer graphics).
6. Write, communicate and publish products for inside and outside the classroom.
7. Continued emphasis on keyboarding skills and increasing speed of keyboarding skills.
8. Continued emphasis on word processing skills (e.g. editing devices, thesaurus, and graphics skills to create stories, reports, poetry and school newspaper articles).
9. Use of technological tools to demonstrate problem solving skills and what has been learned through the use of research tools (e.g. the creation of databases and spreadsheets, reports, videos, classroom presentations and charts).
10. Use of software tools such as Web tools, and CD-ROMs to research classroom projects, areas of interest, collect data and report on topics examined.
11. Use of appropriate software, educational games, interactive reading books and puzzles.
12. Incorporate logical thinking to stimulate problem solving and higher order thinking skills.



Technology Goals:

2001 – 2002	2002 – 2003	2003 – 2004
1. Installation of network infrastructure in all school buildings (cabling, backbone, servers.)	1. Establish a computer lab with a ratio of 1 computer workstation for every 2 students.	1. Creation of a technologically superior new school building.
2. Place at least one computer workstation in each classroom.	2. Increase the number of computer workstations in each classroom as funding permits.	2. Increase computer lab a ratio of one computer workstation for every 1 student.
3. Create a mini computer lab as funding permits. Install Computer math lab. Possibly 1 computer to every 3 students.	3. Acquisition and implementation of additional educational software packages.	3. Increase the number of computer workstations in classrooms as funding permits.
4. Establish a high-speed connection to the Internet for every computer in the school.	4. Purchase a computer overhead screen viewer for use in the computer labs.	4. Purchase a professional computer plotter for lab work and CAD development.
5. Ongoing staff training and development.	5. Ongoing staff training and development.	5. Ongoing staff training and development.





1676 International Drive  
McLean, VA 22102-4828  
Tel: +1.703.747.3000  
Fax: +1.703.747.8500

[www.bearingpoint.com](http://www.bearingpoint.com)

February 16, 2005

Mr. Kirk Hartom  
Nuestros Valores  
Nuestros Valores Charter School  
Old Armijo  
1021 Isleta Street  
Albuquerque, NM 87109

Re FRN: 1058264

Dear Applicant:

Per our conversation earlier today, I am writing to confirm that we will be conducting a site visit at Nuestros Valores Charter School on Tuesday, March 8, 2005 as part of USAC's Extended Outreach Initiative. We plan on meeting with Mr. Hartom at 8:30 am at the school building.

The purpose of this visit, and our initiative as a whole, is to better understand the impact of E-rate funding. During this visit, BearingPoint plans to review E-rate documentation and the different methods you use to manage the E-rate process. BearingPoint will also check the physical equipment and services to see how they are being utilized and maintained.

During this review, we will concentrate on equipment and services related to the above FRN. Please have the following documentation available for our visit:

**General Documentation**

- Evidence of E-rate document retention.
- Evidence of sufficient resources.
- Evidence of competitive bidding process.
- Copies of maintenance agreements and logs for maintenance of E-rate equipment, evidence of training for teachers/librarians and teacher and student/library patron use of technology.

**Invoice Specific Documentation**

- Contracts and addenda/modifications with service providers.
- Asset registers with make, model, serial numbers.
- Customer bills from service provider.
- Documentation of payment of non-discount portion.





We would also like to conduct the following activities during our visit:

- Speak with your E-rate contact and have him/her walk us through the processes that he/she uses to manage the E-rate program and related documentation
- View the equipment and services purchased through E-rate funding
- Observe students or patrons using the equipment and services
- Interview a teacher or a librarian to better understand how he/she uses E-rate funded technology.

The FCC has instructed USAC to report any instances of potential noncompliance with FCC rules. BearingPoint will therefore notify USAC if it finds evidence of noncompliance. In addition, USAC has established a toll free Whistleblowers' Hotline at 1-888 203-8100 for you to report instances of waste, fraud or abuse.

If you have any questions, please visit our website at [www.extendedoutreach.com](http://www.extendedoutreach.com). For additional assistance, please contact the BearingPoint Project Office at (800) 248-7758 to speak with Debbie Cameron, the BearingPoint Site Visit Coordinator.

Sincerely,

A handwritten signature in cursive script that reads "Debra A. Cameron".

Debbie Cameron  
Site Visit Coordinator





**Universal Service Administrative Company**  
**Schools & Libraries Division**

George McDonald  
Vice President, Schools and Libraries Division

April 5, 2005

Kirk Hartom  
Nuestros Valores  
1021 Isleta Blvd., SW  
Albuquerque, NM 87105

RE: Recent Site Visit

Dear Kirk Hartom,

Thank you for allowing us to visit Nuestros Valores on March 8, 2005.

Your cooperation and support during our recent visit were greatly appreciated and gave us invaluable insight into how you manage and implement the E-rate process. Your assistance along with feedback from other site visits will help us identify areas where USAC can provide improved outreach and support.

In addition, we have received and reviewed the information you provided during the site visit, and we have some questions and concerns we would like you to address. Someone from USAC will be in contact with you shortly.

For further information on E-rate, please contact the SLD Customer Service Bureau through our normal channels at:

E-mail: Use the "Submit a Question" link on the SLD web site.  
Fax: 1-888-276-8736  
Telephone: 1-888-203-8100

Sincerely,

A handwritten signature in black ink, appearing to read "George McDonald", is written over a horizontal line.

George McDonald  
Vice President, Schools and Libraries Division







Universal Service Administrative Company  
Schools & Libraries Division

**FORM 471 RECEIPT ACKNOWLEDGMENT LETTER**  
(Funding Year 2003: 07/01/2003 - 06/30/2004)

April 1, 2003

NUESTROS VALORES  
KIRK HARTOM  
OLD ARMIJO BUILDING  
1021 ISLETA SW  
ALBUQUERQUE, NM 87105

Re: Form 471 Application Number: 383807  
Funding Year 2003: 07/01/2003 - 06/30/2004  
Applicant's Form Identifier: 233255470Y6  
Billed Entity Number: 233255

NOTICE: This notification is an acknowledgment of RECEIPT and SUCCESSFUL DATA ENTRY of your FCC Form 471, Services Ordered and Certification Form, reflecting \$150,515.77 in total program year pre-discount costs for services. This letter confirms that the Form 471 and signed or electronically certified Form 471 Certification have been received.

NOTE: Item 25 on the Form 471 is a certification that you have secured access to the resources necessary to pay for (1) the non-discounted portion of the costs for eligible services within the funding year as well as (2) the ineligible products and services to make effective use of the eligible services you have requested. "Secured access" means that you can show that these funds are, or will be, part of your annual budget; or, if you are obtaining the funds from an outside source, that these funds have been promised to you. IF YOU OBTAIN THESE FUNDS FROM AN OUTSIDE SOURCE, THE FUNDS MUST NOT COME DIRECTLY OR INDIRECTLY FROM YOUR SERVICE PROVIDER(S). YOUR SERVICE PROVIDER(S) MAY NOT WAIVE THE NON-DISCOUNTED PORTION OF THE COSTS.

This letter does NOT contain any decisions concerning your requests for discounts. Note, however, the three-week response deadline described below.

Please keep this letter for your records. The Form 471 Application Number cited above is critical for you to link your application to future Schools and Libraries Division (SLD) communications.

Please be advised that the last of your Form 471 application materials identified above was postmarked or received by the SLD on 02/06/2003 and successfully entered into our data system. SLD's Program Integrity Assurance (PIA) Team will now review your application for compliance with program rules. Once the review of your application has been completed, you will receive one or more Funding Commitment Decision Letters (FCDL) to inform you of the disposition of your application. Until you receive an FCDL from the SLD, you cannot assume that you will receive the discounts for which you are applying.

Your application will be considered within the Form 471 application filing window wherein all applications that meet the Minimum Processing Standards are treated as though they were received on the same day.

HOW TO USE THIS 471 RECEIPT ACKNOWLEDGMENT LETTER (RAL) TO CORRECT INFORMATION ON YOUR FORM 471 (ACT WITHIN 3 WEEKS!)

If you find data entry errors on this letter, or you previously identified errors on your Form 471, these can be corrected using this Form 471 RAL. Examples of the errors



that can be corrected are:

**CORRECTIONS TO BLOCK 1 INFORMATION:** You may correct Block 1 items such as the applicant's e-mail address, contact person's name, street address, etc.

**REDUCTIONS TO BLOCK 5 FUNDING REQUESTS:** You may request reductions to Block 5 Funding Requests except for those that would increase your discount percentage due to a change in recipients of that Block 5 service. You may wish to reduce requests if you:

- will not be able to make use of services for which you requested Funding Year 2003 discounts, or
- based your Funding Year 2003 funding request(s) for tariffed or month-to-month service on a projected rate increase that is now known to be much smaller than expected.

**CANCELLATIONS OF BLOCK 5 FUNDING REQUESTS:** You may wish to request to cancel Block 5 Funding Requests if you:

- duplicated pending requests in Forms 471 where you had not received an FCDL before the close of the Form 471 application filing window, or
- will not be able to make use of services for which you requested Funding Year 2003 discounts.

The SLD encourages applicants who know that they will not use all of the amounts requested to notify the SLD of an appropriate reduction to or cancellation of these Funding Requests. This action would allow the SLD to distribute the amounts that are available for the funding year more effectively.

**CORRECTION OF AN INCORRECT SPIN (Service Provider Identification Number):**

Corrective SPIN Changes are allowed. These include corrections because

- there was a data entry error, or
- the company has merged with or been acquired by another company.

Requests to change service providers for other reasons cannot be accommodated through the RAL Correction Process.

**UNBUNDLING AN FRN:** You may request to "split" or "unbundle" incorrectly combined FRNs with two or more services from different service providers (for example, local phone service from one company and long distance service from another), or from different eligible service categories (such as Internal Connections and Internet Access).

**NOTE:** The total dollar amount represented by the newly divided FRNs must not exceed the amount you requested for the original combined FRN. On the photocopy of your RAL, cross out the original bundled FRN, then write in the SPIN, Service Provider Name, Services Ordered category, Total Program Year Pre-Discount dollar Amount, and Discount for each distinct service you have now "unbundled," making sure that the total dollars requested add up to no more than the ORIGINAL request.

To notify us of the allowable corrections you wish to make, please note that the SLD must receive these corrections within three weeks of the date of this letter. Follow these simple steps to make corrections:

1. Photocopy your RAL.
2. Draw a line through each incorrect item, and mark clearly next to it what the correct information should be.
3. Please write the name of the contact person and the contact person's e-mail address, fax number, or telephone number on the first page of the RAL copy that will be sent to the SLD so that we can contact you if we have questions about your requested changes.
4. Make a photocopy of your marked-up letter to keep for your files.
5. Send your marked-up letter to arrive within three weeks of the date of this RAL. Corrections may also be filed electronically, either by e-mail or by fax. Requests submitted by e-mail or fax will be considered filed on a business day if they are received at the SLD at any time up to 12:00 a.m. (midnight) ET. Requests received after that time will be considered received on the next business day.

Send your marked-up letter by US Postal Service or other carrier to:

Data Entry Corrections  
Schools and Libraries Division  
Box 125 - Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981